

1 AN ACT concerning internet transactions.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. the Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-555 as follows:

7 (20 ILCS 2505/2505-555 new)

8 Sec. 2505-555. Advisory Task Force on Internet Taxation.

9 There is created within the Department an Advisory Task Force
10 on Internet Taxation to study the effect of taxing or not
11 taxing Internet sales and the impact that taxing Internet
12 sales would have on Illinois businesses. The Task Force
13 shall consist of 12 members appointed by the Governor, no
14 more than 6 of whom shall be from the same political party.
15 The Task Force shall meet initially at the call of the
16 Governor, shall select one member as chairperson and one
17 member as vice-chairperson, and thereafter meet at the call
18 of the chairperson. The members shall receive no
19 compensation for their services on the Task Force but shall
20 be reimbursed by the Department for any ordinary and
21 necessary expenses incurred in the performance of their
22 duties.

23 The Advisory Task Force on Internet Taxation shall
24 compile a report concerning the effect of taxing or not
25 taxing Internet sales and the impact that taxing Internet
26 sales would have on Illinois businesses and include in the
27 report its advisory recommendations. The Task Force shall
28 file its report with the Governor's Office and with the Clerk
29 of the House and the Secretary of the Senate by January 15,
30 2004. Upon filing its report, the Task Force is dissolved.

1 Section 10. The Use Tax Act is amended by changing
2 Section 3-5 as follows:

3 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

4 Sec. 3-5. Exemptions. Use of the following tangible
5 personal property is exempt from the tax imposed by this Act:

6 (1) Personal property purchased from a corporation,
7 society, association, foundation, institution, or
8 organization, other than a limited liability company, that is
9 organized and operated as a not-for-profit service enterprise
10 for the benefit of persons 65 years of age or older if the
11 personal property was not purchased by the enterprise for the
12 purpose of resale by the enterprise.

13 (2) Personal property purchased by a not-for-profit
14 Illinois county fair association for use in conducting,
15 operating, or promoting the county fair.

16 (3) Personal property purchased by a not-for-profit arts
17 or cultural organization that establishes, by proof required
18 by the Department by rule, that it has received an exemption
19 under Section 501(c)(3) of the Internal Revenue Code and that
20 is organized and operated for the presentation or support of
21 arts or cultural programming, activities, or services. These
22 organizations include, but are not limited to, music and
23 dramatic arts organizations such as symphony orchestras and
24 theatrical groups, arts and cultural service organizations,
25 local arts councils, visual arts organizations, and media
26 arts organizations.

27 (4) Personal property purchased by a governmental body,
28 by a corporation, society, association, foundation, or
29 institution organized and operated exclusively for
30 charitable, religious, or educational purposes, or by a
31 not-for-profit corporation, society, association, foundation,
32 institution, or organization that has no compensated officers
33 or employees and that is organized and operated primarily for

1 the recreation of persons 55 years of age or older. A limited
2 liability company may qualify for the exemption under this
3 paragraph only if the limited liability company is organized
4 and operated exclusively for educational purposes. On and
5 after July 1, 1987, however, no entity otherwise eligible for
6 this exemption shall make tax-free purchases unless it has an
7 active exemption identification number issued by the
8 Department.

9 (5) A passenger car that is a replacement vehicle to the
10 extent that the purchase price of the car is subject to the
11 Replacement Vehicle Tax.

12 (6) Graphic arts machinery and equipment, including
13 repair and replacement parts, both new and used, and
14 including that manufactured on special order, certified by
15 the purchaser to be used primarily for graphic arts
16 production, and including machinery and equipment purchased
17 for lease.

18 (7) Farm chemicals.

19 (8) Legal tender, currency, medallions, or gold or
20 silver coinage issued by the State of Illinois, the
21 government of the United States of America, or the government
22 of any foreign country, and bullion.

23 (9) Personal property purchased from a teacher-sponsored
24 student organization affiliated with an elementary or
25 secondary school located in Illinois.

26 (10) A motor vehicle of the first division, a motor
27 vehicle of the second division that is a self-contained motor
28 vehicle designed or permanently converted to provide living
29 quarters for recreational, camping, or travel use, with
30 direct walk through to the living quarters from the driver's
31 seat, or a motor vehicle of the second division that is of
32 the van configuration designed for the transportation of not
33 less than 7 nor more than 16 passengers, as defined in
34 Section 1-146 of the Illinois Vehicle Code, that is used for

1 automobile renting, as defined in the Automobile Renting
2 Occupation and Use Tax Act.

3 (11) Farm machinery and equipment, both new and used,
4 including that manufactured on special order, certified by
5 the purchaser to be used primarily for production agriculture
6 or State or federal agricultural programs, including
7 individual replacement parts for the machinery and equipment,
8 including machinery and equipment purchased for lease, and
9 including implements of husbandry defined in Section 1-130 of
10 the Illinois Vehicle Code, farm machinery and agricultural
11 chemical and fertilizer spreaders, and nurse wagons required
12 to be registered under Section 3-809 of the Illinois Vehicle
13 Code, but excluding other motor vehicles required to be
14 registered under the Illinois Vehicle Code. Horticultural
15 polyhouses or hoop houses used for propagating, growing, or
16 overwintering plants shall be considered farm machinery and
17 equipment under this item (11). Agricultural chemical tender
18 tanks and dry boxes shall include units sold separately from
19 a motor vehicle required to be licensed and units sold
20 mounted on a motor vehicle required to be licensed if the
21 selling price of the tender is separately stated.

22 Farm machinery and equipment shall include precision
23 farming equipment that is installed or purchased to be
24 installed on farm machinery and equipment including, but not
25 limited to, tractors, harvesters, sprayers, planters,
26 seeders, or spreaders. Precision farming equipment includes,
27 but is not limited to, soil testing sensors, computers,
28 monitors, software, global positioning and mapping systems,
29 and other such equipment.

30 Farm machinery and equipment also includes computers,
31 sensors, software, and related equipment used primarily in
32 the computer-assisted operation of production agriculture
33 facilities, equipment, and activities such as, but not
34 limited to, the collection, monitoring, and correlation of

1 animal and crop data for the purpose of formulating animal
2 diets and agricultural chemicals. This item (11) is exempt
3 from the provisions of Section 3-90.

4 (12) Fuel and petroleum products sold to or used by an
5 air common carrier, certified by the carrier to be used for
6 consumption, shipment, or storage in the conduct of its
7 business as an air common carrier, for a flight destined for
8 or returning from a location or locations outside the United
9 States without regard to previous or subsequent domestic
10 stopovers.

11 (13) Proceeds of mandatory service charges separately
12 stated on customers' bills for the purchase and consumption
13 of food and beverages purchased at retail from a retailer, to
14 the extent that the proceeds of the service charge are in
15 fact turned over as tips or as a substitute for tips to the
16 employees who participate directly in preparing, serving,
17 hosting or cleaning up the food or beverage function with
18 respect to which the service charge is imposed.

19 (14) Oil field exploration, drilling, and production
20 equipment, including (i) rigs and parts of rigs, rotary rigs,
21 cable tool rigs, and workover rigs, (ii) pipe and tubular
22 goods, including casing and drill strings, (iii) pumps and
23 pump-jack units, (iv) storage tanks and flow lines, (v) any
24 individual replacement part for oil field exploration,
25 drilling, and production equipment, and (vi) machinery and
26 equipment purchased for lease; but excluding motor vehicles
27 required to be registered under the Illinois Vehicle Code.

28 (15) Photoprocessing machinery and equipment, including
29 repair and replacement parts, both new and used, including
30 that manufactured on special order, certified by the
31 purchaser to be used primarily for photoprocessing, and
32 including photoprocessing machinery and equipment purchased
33 for lease.

34 (16) Coal exploration, mining, offhighway hauling,

1 processing, maintenance, and reclamation equipment, including
2 replacement parts and equipment, and including equipment
3 purchased for lease, but excluding motor vehicles required to
4 be registered under the Illinois Vehicle Code.

5 (17) Distillation machinery and equipment, sold as a
6 unit or kit, assembled or installed by the retailer,
7 certified by the user to be used only for the production of
8 ethyl alcohol that will be used for consumption as motor fuel
9 or as a component of motor fuel for the personal use of the
10 user, and not subject to sale or resale.

11 (18) Manufacturing and assembling machinery and
12 equipment used primarily in the process of manufacturing or
13 assembling tangible personal property for wholesale or retail
14 sale or lease, whether that sale or lease is made directly by
15 the manufacturer or by some other person, whether the
16 materials used in the process are owned by the manufacturer
17 or some other person, or whether that sale or lease is made
18 apart from or as an incident to the seller's engaging in the
19 service occupation of producing machines, tools, dies, jigs,
20 patterns, gauges, or other similar items of no commercial
21 value on special order for a particular purchaser.

22 (19) Personal property delivered to a purchaser or
23 purchaser's donee inside Illinois when the purchase order for
24 that personal property was received by a florist located
25 outside Illinois who has a florist located inside Illinois
26 deliver the personal property.

27 (20) Semen used for artificial insemination of livestock
28 for direct agricultural production.

29 (21) Horses, or interests in horses, registered with and
30 meeting the requirements of any of the Arabian Horse Club
31 Registry of America, Appaloosa Horse Club, American Quarter
32 Horse Association, United States Trotting Association, or
33 Jockey Club, as appropriate, used for purposes of breeding or
34 racing for prizes.

1 (22) Computers and communications equipment utilized for
2 any hospital purpose and equipment used in the diagnosis,
3 analysis, or treatment of hospital patients purchased by a
4 lessor who leases the equipment, under a lease of one year or
5 longer executed or in effect at the time the lessor would
6 otherwise be subject to the tax imposed by this Act, to a
7 hospital that has been issued an active tax exemption
8 identification number by the Department under Section 1g of
9 the Retailers' Occupation Tax Act. If the equipment is
10 leased in a manner that does not qualify for this exemption
11 or is used in any other non-exempt manner, the lessor shall
12 be liable for the tax imposed under this Act or the Service
13 Use Tax Act, as the case may be, based on the fair market
14 value of the property at the time the non-qualifying use
15 occurs. No lessor shall collect or attempt to collect an
16 amount (however designated) that purports to reimburse that
17 lessor for the tax imposed by this Act or the Service Use Tax
18 Act, as the case may be, if the tax has not been paid by the
19 lessor. If a lessor improperly collects any such amount from
20 the lessee, the lessee shall have a legal right to claim a
21 refund of that amount from the lessor. If, however, that
22 amount is not refunded to the lessee for any reason, the
23 lessor is liable to pay that amount to the Department.

24 (23) Personal property purchased by a lessor who leases
25 the property, under a lease of one year or longer executed
26 or in effect at the time the lessor would otherwise be
27 subject to the tax imposed by this Act, to a governmental
28 body that has been issued an active sales tax exemption
29 identification number by the Department under Section 1g of
30 the Retailers' Occupation Tax Act. If the property is leased
31 in a manner that does not qualify for this exemption or used
32 in any other non-exempt manner, the lessor shall be liable
33 for the tax imposed under this Act or the Service Use Tax
34 Act, as the case may be, based on the fair market value of

1 the property at the time the non-qualifying use occurs. No
2 lessor shall collect or attempt to collect an amount (however
3 designated) that purports to reimburse that lessor for the
4 tax imposed by this Act or the Service Use Tax Act, as the
5 case may be, if the tax has not been paid by the lessor. If
6 a lessor improperly collects any such amount from the lessee,
7 the lessee shall have a legal right to claim a refund of that
8 amount from the lessor. If, however, that amount is not
9 refunded to the lessee for any reason, the lessor is liable
10 to pay that amount to the Department.

11 (24) Beginning with taxable years ending on or after
12 December 31, 1995 and ending with taxable years ending on or
13 before December 31, 2004, personal property that is donated
14 for disaster relief to be used in a State or federally
15 declared disaster area in Illinois or bordering Illinois by a
16 manufacturer or retailer that is registered in this State to
17 a corporation, society, association, foundation, or
18 institution that has been issued a sales tax exemption
19 identification number by the Department that assists victims
20 of the disaster who reside within the declared disaster area.

21 (25) Beginning with taxable years ending on or after
22 December 31, 1995 and ending with taxable years ending on or
23 before December 31, 2004, personal property that is used in
24 the performance of infrastructure repairs in this State,
25 including but not limited to municipal roads and streets,
26 access roads, bridges, sidewalks, waste disposal systems,
27 water and sewer line extensions, water distribution and
28 purification facilities, storm water drainage and retention
29 facilities, and sewage treatment facilities, resulting from a
30 State or federally declared disaster in Illinois or bordering
31 Illinois when such repairs are initiated on facilities
32 located in the declared disaster area within 6 months after
33 the disaster.

34 (26) Beginning July 1, 1999, game or game birds

1 purchased at a "game breeding and hunting preserve area" or
2 an "exotic game hunting area" as those terms are used in the
3 Wildlife Code or at a hunting enclosure approved through
4 rules adopted by the Department of Natural Resources. This
5 paragraph is exempt from the provisions of Section 3-90.

6 (27) A motor vehicle, as that term is defined in Section
7 1-146 of the Illinois Vehicle Code, that is donated to a
8 corporation, limited liability company, society, association,
9 foundation, or institution that is determined by the
10 Department to be organized and operated exclusively for
11 educational purposes. For purposes of this exemption, "a
12 corporation, limited liability company, society, association,
13 foundation, or institution organized and operated exclusively
14 for educational purposes" means all tax-supported public
15 schools, private schools that offer systematic instruction in
16 useful branches of learning by methods common to public
17 schools and that compare favorably in their scope and
18 intensity with the course of study presented in tax-supported
19 schools, and vocational or technical schools or institutes
20 organized and operated exclusively to provide a course of
21 study of not less than 6 weeks duration and designed to
22 prepare individuals to follow a trade or to pursue a manual,
23 technical, mechanical, industrial, business, or commercial
24 occupation.

25 (28) Beginning January 1, 2000, personal property,
26 including food, purchased through fundraising events for the
27 benefit of a public or private elementary or secondary
28 school, a group of those schools, or one or more school
29 districts if the events are sponsored by an entity recognized
30 by the school district that consists primarily of volunteers
31 and includes parents and teachers of the school children.
32 This paragraph does not apply to fundraising events (i) for
33 the benefit of private home instruction or (ii) for which the
34 fundraising entity purchases the personal property sold at

1 the events from another individual or entity that sold the
 2 property for the purpose of resale by the fundraising entity
 3 and that profits from the sale to the fundraising entity.
 4 This paragraph is exempt from the provisions of Section 3-90.

5 (29) Beginning January 1, 2000, new or used automatic
 6 vending machines that prepare and serve hot food and
 7 beverages, including coffee, soup, and other items, and
 8 replacement parts for these machines. This paragraph is
 9 exempt from the provisions of Section 3-90.

10 (30) Food for human consumption that is to be consumed
 11 off the premises where it is sold (other than alcoholic
 12 beverages, soft drinks, and food that has been prepared for
 13 immediate consumption) and prescription and nonprescription
 14 medicines, drugs, medical appliances, and insulin, urine
 15 testing materials, syringes, and needles used by diabetics,
 16 for human use, when purchased for use by a person receiving
 17 medical assistance under Article 5 of the Illinois Public Aid
 18 Code who resides in a licensed long-term care facility, as
 19 defined in the Nursing Home Care Act.

20 (31) Through December 31, 2004, personal property
 21 purchased in a transaction conducted over the Internet.

22 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 23 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 24 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
 25 eff. 8-20-99; 91-901, eff. 1-1-01.)

26 Section 15. The Service Use Tax Act is amended by
 27 changing Section 3-5 as follows:

28 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

29 Sec. 3-5. Exemptions. Use of the following tangible
 30 personal property is exempt from the tax imposed by this Act:

31 (1) Personal property purchased from a corporation,
 32 society, association, foundation, institution, or

1 organization, other than a limited liability company, that is
2 organized and operated as a not-for-profit service enterprise
3 for the benefit of persons 65 years of age or older if the
4 personal property was not purchased by the enterprise for the
5 purpose of resale by the enterprise.

6 (2) Personal property purchased by a non-profit Illinois
7 county fair association for use in conducting, operating, or
8 promoting the county fair.

9 (3) Personal property purchased by a not-for-profit arts
10 or cultural organization that establishes, by proof required
11 by the Department by rule, that it has received an exemption
12 under Section 501(c)(3) of the Internal Revenue Code and that
13 is organized and operated for the presentation or support of
14 arts or cultural programming, activities, or services. These
15 organizations include, but are not limited to, music and
16 dramatic arts organizations such as symphony orchestras and
17 theatrical groups, arts and cultural service organizations,
18 local arts councils, visual arts organizations, and media
19 arts organizations.

20 (4) Legal tender, currency, medallions, or gold or
21 silver coinage issued by the State of Illinois, the
22 government of the United States of America, or the government
23 of any foreign country, and bullion.

24 (5) Graphic arts machinery and equipment, including
25 repair and replacement parts, both new and used, and
26 including that manufactured on special order or purchased for
27 lease, certified by the purchaser to be used primarily for
28 graphic arts production.

29 (6) Personal property purchased from a teacher-sponsored
30 student organization affiliated with an elementary or
31 secondary school located in Illinois.

32 (7) Farm machinery and equipment, both new and used,
33 including that manufactured on special order, certified by
34 the purchaser to be used primarily for production agriculture

1 or State or federal agricultural programs, including
2 individual replacement parts for the machinery and equipment,
3 including machinery and equipment purchased for lease, and
4 including implements of husbandry defined in Section 1-130 of
5 the Illinois Vehicle Code, farm machinery and agricultural
6 chemical and fertilizer spreaders, and nurse wagons required
7 to be registered under Section 3-809 of the Illinois Vehicle
8 Code, but excluding other motor vehicles required to be
9 registered under the Illinois Vehicle Code. Horticultural
10 polyhouses or hoop houses used for propagating, growing, or
11 overwintering plants shall be considered farm machinery and
12 equipment under this item (7). Agricultural chemical tender
13 tanks and dry boxes shall include units sold separately from
14 a motor vehicle required to be licensed and units sold
15 mounted on a motor vehicle required to be licensed if the
16 selling price of the tender is separately stated.

17 Farm machinery and equipment shall include precision
18 farming equipment that is installed or purchased to be
19 installed on farm machinery and equipment including, but not
20 limited to, tractors, harvesters, sprayers, planters,
21 seeders, or spreaders. Precision farming equipment includes,
22 but is not limited to, soil testing sensors, computers,
23 monitors, software, global positioning and mapping systems,
24 and other such equipment.

25 Farm machinery and equipment also includes computers,
26 sensors, software, and related equipment used primarily in
27 the computer-assisted operation of production agriculture
28 facilities, equipment, and activities such as, but not
29 limited to, the collection, monitoring, and correlation of
30 animal and crop data for the purpose of formulating animal
31 diets and agricultural chemicals. This item (7) is exempt
32 from the provisions of Section 3-75.

33 (8) Fuel and petroleum products sold to or used by an
34 air common carrier, certified by the carrier to be used for

1 consumption, shipment, or storage in the conduct of its
2 business as an air common carrier, for a flight destined for
3 or returning from a location or locations outside the United
4 States without regard to previous or subsequent domestic
5 stopovers.

6 (9) Proceeds of mandatory service charges separately
7 stated on customers' bills for the purchase and consumption
8 of food and beverages acquired as an incident to the purchase
9 of a service from a serviceman, to the extent that the
10 proceeds of the service charge are in fact turned over as
11 tips or as a substitute for tips to the employees who
12 participate directly in preparing, serving, hosting or
13 cleaning up the food or beverage function with respect to
14 which the service charge is imposed.

15 (10) Oil field exploration, drilling, and production
16 equipment, including (i) rigs and parts of rigs, rotary rigs,
17 cable tool rigs, and workover rigs, (ii) pipe and tubular
18 goods, including casing and drill strings, (iii) pumps and
19 pump-jack units, (iv) storage tanks and flow lines, (v) any
20 individual replacement part for oil field exploration,
21 drilling, and production equipment, and (vi) machinery and
22 equipment purchased for lease; but excluding motor vehicles
23 required to be registered under the Illinois Vehicle Code.

24 (11) Proceeds from the sale of photoprocessing machinery
25 and equipment, including repair and replacement parts, both
26 new and used, including that manufactured on special order,
27 certified by the purchaser to be used primarily for
28 photoprocessing, and including photoprocessing machinery and
29 equipment purchased for lease.

30 (12) Coal exploration, mining, offhighway hauling,
31 processing, maintenance, and reclamation equipment, including
32 replacement parts and equipment, and including equipment
33 purchased for lease, but excluding motor vehicles required to
34 be registered under the Illinois Vehicle Code.

1 (13) Semen used for artificial insemination of livestock
2 for direct agricultural production.

3 (14) Horses, or interests in horses, registered with and
4 meeting the requirements of any of the Arabian Horse Club
5 Registry of America, Appaloosa Horse Club, American Quarter
6 Horse Association, United States Trotting Association, or
7 Jockey Club, as appropriate, used for purposes of breeding or
8 racing for prizes.

9 (15) Computers and communications equipment utilized for
10 any hospital purpose and equipment used in the diagnosis,
11 analysis, or treatment of hospital patients purchased by a
12 lessor who leases the equipment, under a lease of one year or
13 longer executed or in effect at the time the lessor would
14 otherwise be subject to the tax imposed by this Act, to a
15 hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is
19 used in any other non-exempt manner, the lessor shall be
20 liable for the tax imposed under this Act or the Use Tax Act,
21 as the case may be, based on the fair market value of the
22 property at the time the non-qualifying use occurs. No
23 lessor shall collect or attempt to collect an amount (however
24 designated) that purports to reimburse that lessor for the
25 tax imposed by this Act or the Use Tax Act, as the case may
26 be, if the tax has not been paid by the lessor. If a lessor
27 improperly collects any such amount from the lessee, the
28 lessee shall have a legal right to claim a refund of that
29 amount from the lessor. If, however, that amount is not
30 refunded to the lessee for any reason, the lessor is liable
31 to pay that amount to the Department.

32 (16) Personal property purchased by a lessor who leases
33 the property, under a lease of one year or longer executed or
34 in effect at the time the lessor would otherwise be subject

1 to the tax imposed by this Act, to a governmental body that
2 has been issued an active tax exemption identification number
3 by the Department under Section 1g of the Retailers'
4 Occupation Tax Act. If the property is leased in a manner
5 that does not qualify for this exemption or is used in any
6 other non-exempt manner, the lessor shall be liable for the
7 tax imposed under this Act or the Use Tax Act, as the case
8 may be, based on the fair market value of the property at the
9 time the non-qualifying use occurs. No lessor shall collect
10 or attempt to collect an amount (however designated) that
11 purports to reimburse that lessor for the tax imposed by this
12 Act or the Use Tax Act, as the case may be, if the tax has
13 not been paid by the lessor. If a lessor improperly collects
14 any such amount from the lessee, the lessee shall have a
15 legal right to claim a refund of that amount from the lessor.
16 If, however, that amount is not refunded to the lessee for
17 any reason, the lessor is liable to pay that amount to the
18 Department.

19 (17) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is donated
22 for disaster relief to be used in a State or federally
23 declared disaster area in Illinois or bordering Illinois by a
24 manufacturer or retailer that is registered in this State to
25 a corporation, society, association, foundation, or
26 institution that has been issued a sales tax exemption
27 identification number by the Department that assists victims
28 of the disaster who reside within the declared disaster area.

29 (18) Beginning with taxable years ending on or after
30 December 31, 1995 and ending with taxable years ending on or
31 before December 31, 2004, personal property that is used in
32 the performance of infrastructure repairs in this State,
33 including but not limited to municipal roads and streets,
34 access roads, bridges, sidewalks, waste disposal systems,

1 water and sewer line extensions, water distribution and
2 purification facilities, storm water drainage and retention
3 facilities, and sewage treatment facilities, resulting from a
4 State or federally declared disaster in Illinois or bordering
5 Illinois when such repairs are initiated on facilities
6 located in the declared disaster area within 6 months after
7 the disaster.

8 (19) Beginning July 1, 1999, game or game birds
9 purchased at a "game breeding and hunting preserve area" or
10 an "exotic game hunting area" as those terms are used in the
11 Wildlife Code or at a hunting enclosure approved through
12 rules adopted by the Department of Natural Resources. This
13 paragraph is exempt from the provisions of Section 3-75.

14 (20) ~~(19)~~ A motor vehicle, as that term is defined in
15 Section 1-146 of the Illinois Vehicle Code, that is donated
16 to a corporation, limited liability company, society,
17 association, foundation, or institution that is determined by
18 the Department to be organized and operated exclusively for
19 educational purposes. For purposes of this exemption, "a
20 corporation, limited liability company, society, association,
21 foundation, or institution organized and operated exclusively
22 for educational purposes" means all tax-supported public
23 schools, private schools that offer systematic instruction in
24 useful branches of learning by methods common to public
25 schools and that compare favorably in their scope and
26 intensity with the course of study presented in tax-supported
27 schools, and vocational or technical schools or institutes
28 organized and operated exclusively to provide a course of
29 study of not less than 6 weeks duration and designed to
30 prepare individuals to follow a trade or to pursue a manual,
31 technical, mechanical, industrial, business, or commercial
32 occupation.

33 (21) ~~(20)~~ Beginning January 1, 2000, personal property,
34 including food, purchased through fundraising events for the

1 benefit of a public or private elementary or secondary
 2 school, a group of those schools, or one or more school
 3 districts if the events are sponsored by an entity recognized
 4 by the school district that consists primarily of volunteers
 5 and includes parents and teachers of the school children.
 6 This paragraph does not apply to fundraising events (i) for
 7 the benefit of private home instruction or (ii) for which the
 8 fundraising entity purchases the personal property sold at
 9 the events from another individual or entity that sold the
 10 property for the purpose of resale by the fundraising entity
 11 and that profits from the sale to the fundraising entity.
 12 This paragraph is exempt from the provisions of Section 3-75.

13 (22) ~~(19)~~ Beginning January 1, 2000, new or used
 14 automatic vending machines that prepare and serve hot food
 15 and beverages, including coffee, soup, and other items, and
 16 replacement parts for these machines. This paragraph is
 17 exempt from the provisions of Section 3-75.

18 (23) Through December 31, 2004, personal property
 19 purchased in a transaction conducted over the Internet.

20 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 21 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 22 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
 23 eff. 8-20-99; revised 9-29-99.)

24 Section 20. The Service Occupation Tax Act is amended by
 25 changing Section 3-5 as follows:

26 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

27 Sec. 3-5. Exemptions. The following tangible personal
 28 property is exempt from the tax imposed by this Act:

29 (1) Personal property sold by a corporation, society,
 30 association, foundation, institution, or organization, other
 31 than a limited liability company, that is organized and
 32 operated as a not-for-profit service enterprise for the

1 benefit of persons 65 years of age or older if the personal
2 property was not purchased by the enterprise for the purpose
3 of resale by the enterprise.

4 (2) Personal property purchased by a not-for-profit
5 Illinois county fair association for use in conducting,
6 operating, or promoting the county fair.

7 (3) Personal property purchased by any not-for-profit
8 arts or cultural organization that establishes, by proof
9 required by the Department by rule, that it has received an
10 exemption under Section 501(c)(3) of the Internal Revenue
11 Code and that is organized and operated for the presentation
12 or support of arts or cultural programming, activities, or
13 services. These organizations include, but are not limited
14 to, music and dramatic arts organizations such as symphony
15 orchestras and theatrical groups, arts and cultural service
16 organizations, local arts councils, visual arts
17 organizations, and media arts organizations.

18 (4) Legal tender, currency, medallions, or gold or
19 silver coinage issued by the State of Illinois, the
20 government of the United States of America, or the government
21 of any foreign country, and bullion.

22 (5) Graphic arts machinery and equipment, including
23 repair and replacement parts, both new and used, and
24 including that manufactured on special order or purchased for
25 lease, certified by the purchaser to be used primarily for
26 graphic arts production.

27 (6) Personal property sold by a teacher-sponsored
28 student organization affiliated with an elementary or
29 secondary school located in Illinois.

30 (7) Farm machinery and equipment, both new and used,
31 including that manufactured on special order, certified by
32 the purchaser to be used primarily for production agriculture
33 or State or federal agricultural programs, including
34 individual replacement parts for the machinery and equipment,

1 including machinery and equipment purchased for lease, and
2 including implements of husbandry defined in Section 1-130 of
3 the Illinois Vehicle Code, farm machinery and agricultural
4 chemical and fertilizer spreaders, and nurse wagons required
5 to be registered under Section 3-809 of the Illinois Vehicle
6 Code, but excluding other motor vehicles required to be
7 registered under the Illinois Vehicle Code. Horticultural
8 polyhouses or hoop houses used for propagating, growing, or
9 overwintering plants shall be considered farm machinery and
10 equipment under this item (7). Agricultural chemical tender
11 tanks and dry boxes shall include units sold separately from
12 a motor vehicle required to be licensed and units sold
13 mounted on a motor vehicle required to be licensed if the
14 selling price of the tender is separately stated.

15 Farm machinery and equipment shall include precision
16 farming equipment that is installed or purchased to be
17 installed on farm machinery and equipment including, but not
18 limited to, tractors, harvesters, sprayers, planters,
19 seeders, or spreaders. Precision farming equipment includes,
20 but is not limited to, soil testing sensors, computers,
21 monitors, software, global positioning and mapping systems,
22 and other such equipment.

23 Farm machinery and equipment also includes computers,
24 sensors, software, and related equipment used primarily in
25 the computer-assisted operation of production agriculture
26 facilities, equipment, and activities such as, but not
27 limited to, the collection, monitoring, and correlation of
28 animal and crop data for the purpose of formulating animal
29 diets and agricultural chemicals. This item (7) is exempt
30 from the provisions of Section 3-55.

31 (8) Fuel and petroleum products sold to or used by an
32 air common carrier, certified by the carrier to be used for
33 consumption, shipment, or storage in the conduct of its
34 business as an air common carrier, for a flight destined for

1 or returning from a location or locations outside the United
2 States without regard to previous or subsequent domestic
3 stopovers.

4 (9) Proceeds of mandatory service charges separately
5 stated on customers' bills for the purchase and consumption
6 of food and beverages, to the extent that the proceeds of the
7 service charge are in fact turned over as tips or as a
8 substitute for tips to the employees who participate directly
9 in preparing, serving, hosting or cleaning up the food or
10 beverage function with respect to which the service charge is
11 imposed.

12 (10) Oil field exploration, drilling, and production
13 equipment, including (i) rigs and parts of rigs, rotary rigs,
14 cable tool rigs, and workover rigs, (ii) pipe and tubular
15 goods, including casing and drill strings, (iii) pumps and
16 pump-jack units, (iv) storage tanks and flow lines, (v) any
17 individual replacement part for oil field exploration,
18 drilling, and production equipment, and (vi) machinery and
19 equipment purchased for lease; but excluding motor vehicles
20 required to be registered under the Illinois Vehicle Code.

21 (11) Photoprocessing machinery and equipment, including
22 repair and replacement parts, both new and used, including
23 that manufactured on special order, certified by the
24 purchaser to be used primarily for photoprocessing, and
25 including photoprocessing machinery and equipment purchased
26 for lease.

27 (12) Coal exploration, mining, offhighway hauling,
28 processing, maintenance, and reclamation equipment, including
29 replacement parts and equipment, and including equipment
30 purchased for lease, but excluding motor vehicles required to
31 be registered under the Illinois Vehicle Code.

32 (13) Food for human consumption that is to be consumed
33 off the premises where it is sold (other than alcoholic
34 beverages, soft drinks and food that has been prepared for

1 immediate consumption) and prescription and non-prescription
2 medicines, drugs, medical appliances, and insulin, urine
3 testing materials, syringes, and needles used by diabetics,
4 for human use, when purchased for use by a person receiving
5 medical assistance under Article 5 of the Illinois Public Aid
6 Code who resides in a licensed long-term care facility, as
7 defined in the Nursing Home Care Act.

8 (14) Semen used for artificial insemination of livestock
9 for direct agricultural production.

10 (15) Horses, or interests in horses, registered with and
11 meeting the requirements of any of the Arabian Horse Club
12 Registry of America, Appaloosa Horse Club, American Quarter
13 Horse Association, United States Trotting Association, or
14 Jockey Club, as appropriate, used for purposes of breeding or
15 racing for prizes.

16 (16) Computers and communications equipment utilized for
17 any hospital purpose and equipment used in the diagnosis,
18 analysis, or treatment of hospital patients sold to a lessor
19 who leases the equipment, under a lease of one year or longer
20 executed or in effect at the time of the purchase, to a
21 hospital that has been issued an active tax exemption
22 identification number by the Department under Section 1g of
23 the Retailers' Occupation Tax Act.

24 (17) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or in
26 effect at the time of the purchase, to a governmental body
27 that has been issued an active tax exemption identification
28 number by the Department under Section 1g of the Retailers'
29 Occupation Tax Act.

30 (18) Beginning with taxable years ending on or after
31 December 31, 1995 and ending with taxable years ending on or
32 before December 31, 2004, personal property that is donated
33 for disaster relief to be used in a State or federally
34 declared disaster area in Illinois or bordering Illinois by a

1 manufacturer or retailer that is registered in this State to
2 a corporation, society, association, foundation, or
3 institution that has been issued a sales tax exemption
4 identification number by the Department that assists victims
5 of the disaster who reside within the declared disaster area.

6 (19) Beginning with taxable years ending on or after
7 December 31, 1995 and ending with taxable years ending on or
8 before December 31, 2004, personal property that is used in
9 the performance of infrastructure repairs in this State,
10 including but not limited to municipal roads and streets,
11 access roads, bridges, sidewalks, waste disposal systems,
12 water and sewer line extensions, water distribution and
13 purification facilities, storm water drainage and retention
14 facilities, and sewage treatment facilities, resulting from a
15 State or federally declared disaster in Illinois or bordering
16 Illinois when such repairs are initiated on facilities
17 located in the declared disaster area within 6 months after
18 the disaster.

19 (20) Beginning July 1, 1999, game or game birds sold at
20 a "game breeding and hunting preserve area" or an "exotic
21 game hunting area" as those terms are used in the Wildlife
22 Code or at a hunting enclosure approved through rules adopted
23 by the Department of Natural Resources. This paragraph is
24 exempt from the provisions of Section 3-55.

25 (21) ~~(20)~~ A motor vehicle, as that term is defined in
26 Section 1-146 of the Illinois Vehicle Code, that is donated
27 to a corporation, limited liability company, society,
28 association, foundation, or institution that is determined by
29 the Department to be organized and operated exclusively for
30 educational purposes. For purposes of this exemption, "a
31 corporation, limited liability company, society, association,
32 foundation, or institution organized and operated exclusively
33 for educational purposes" means all tax-supported public
34 schools, private schools that offer systematic instruction in

1 useful branches of learning by methods common to public
 2 schools and that compare favorably in their scope and
 3 intensity with the course of study presented in tax-supported
 4 schools, and vocational or technical schools or institutes
 5 organized and operated exclusively to provide a course of
 6 study of not less than 6 weeks duration and designed to
 7 prepare individuals to follow a trade or to pursue a manual,
 8 technical, mechanical, industrial, business, or commercial
 9 occupation.

10 (22) ~~(21)~~ Beginning January 1, 2000, personal property,
 11 including food, purchased through fundraising events for the
 12 benefit of a public or private elementary or secondary
 13 school, a group of those schools, or one or more school
 14 districts if the events are sponsored by an entity recognized
 15 by the school district that consists primarily of volunteers
 16 and includes parents and teachers of the school children.
 17 This paragraph does not apply to fundraising events (i) for
 18 the benefit of private home instruction or (ii) for which the
 19 fundraising entity purchases the personal property sold at
 20 the events from another individual or entity that sold the
 21 property for the purpose of resale by the fundraising entity
 22 and that profits from the sale to the fundraising entity.
 23 This paragraph is exempt from the provisions of Section 3-55.

24 (23) ~~(20)~~ Beginning January 1, 2000, new or used
 25 automatic vending machines that prepare and serve hot food
 26 and beverages, including coffee, soup, and other items, and
 27 replacement parts for these machines. This paragraph is
 28 exempt from the provisions of Section 3-55.

29 (24) Through December 31, 2004, personal property
 30 purchased in a transaction conducted over the Internet.

31 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 32 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 33 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637,
 34 eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

1 Section 25. The Retailers' Occupation Tax Act is amended
2 by changing Section 2-5 as follows:

3 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

4 Sec. 2-5. Exemptions. Gross receipts from proceeds from
5 the sale of the following tangible personal property are
6 exempt from the tax imposed by this Act:

7 (1) Farm chemicals.

8 (2) Farm machinery and equipment, both new and used,
9 including that manufactured on special order, certified by
10 the purchaser to be used primarily for production agriculture
11 or State or federal agricultural programs, including
12 individual replacement parts for the machinery and equipment,
13 including machinery and equipment purchased for lease, and
14 including implements of husbandry defined in Section 1-130 of
15 the Illinois Vehicle Code, farm machinery and agricultural
16 chemical and fertilizer spreaders, and nurse wagons required
17 to be registered under Section 3-809 of the Illinois Vehicle
18 Code, but excluding other motor vehicles required to be
19 registered under the Illinois Vehicle Code. Horticultural
20 polyhouses or hoop houses used for propagating, growing, or
21 overwintering plants shall be considered farm machinery and
22 equipment under this item (2). Agricultural chemical tender
23 tanks and dry boxes shall include units sold separately from
24 a motor vehicle required to be licensed and units sold
25 mounted on a motor vehicle required to be licensed, if the
26 selling price of the tender is separately stated.

27 Farm machinery and equipment shall include precision
28 farming equipment that is installed or purchased to be
29 installed on farm machinery and equipment including, but not
30 limited to, tractors, harvesters, sprayers, planters,
31 seeders, or spreaders. Precision farming equipment includes,
32 but is not limited to, soil testing sensors, computers,
33 monitors, software, global positioning and mapping systems,

1 and other such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in
4 the computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not
6 limited to, the collection, monitoring, and correlation of
7 animal and crop data for the purpose of formulating animal
8 diets and agricultural chemicals. This item (7) is exempt
9 from the provisions of Section 2-70.

10 (3) Distillation machinery and equipment, sold as a unit
11 or kit, assembled or installed by the retailer, certified by
12 the user to be used only for the production of ethyl alcohol
13 that will be used for consumption as motor fuel or as a
14 component of motor fuel for the personal use of the user, and
15 not subject to sale or resale.

16 (4) Graphic arts machinery and equipment, including
17 repair and replacement parts, both new and used, and
18 including that manufactured on special order or purchased for
19 lease, certified by the purchaser to be used primarily for
20 graphic arts production.

21 (5) A motor vehicle of the first division, a motor
22 vehicle of the second division that is a self-contained motor
23 vehicle designed or permanently converted to provide living
24 quarters for recreational, camping, or travel use, with
25 direct walk through access to the living quarters from the
26 driver's seat, or a motor vehicle of the second division that
27 is of the van configuration designed for the transportation
28 of not less than 7 nor more than 16 passengers, as defined in
29 Section 1-146 of the Illinois Vehicle Code, that is used for
30 automobile renting, as defined in the Automobile Renting
31 Occupation and Use Tax Act.

32 (6) Personal property sold by a teacher-sponsored
33 student organization affiliated with an elementary or
34 secondary school located in Illinois.

1 (7) Proceeds of that portion of the selling price of a
2 passenger car the sale of which is subject to the Replacement
3 Vehicle Tax.

4 (8) Personal property sold to an Illinois county fair
5 association for use in conducting, operating, or promoting
6 the county fair.

7 (9) Personal property sold to a not-for-profit arts or
8 cultural organization that establishes, by proof required by
9 the Department by rule, that it has received an exemption
10 under Section 501(c)(3) of the Internal Revenue Code and that
11 is organized and operated for the presentation or support of
12 arts or cultural programming, activities, or services. These
13 organizations include, but are not limited to, music and
14 dramatic arts organizations such as symphony orchestras and
15 theatrical groups, arts and cultural service organizations,
16 local arts councils, visual arts organizations, and media
17 arts organizations.

18 (10) Personal property sold by a corporation, society,
19 association, foundation, institution, or organization, other
20 than a limited liability company, that is organized and
21 operated as a not-for-profit service enterprise for the
22 benefit of persons 65 years of age or older if the personal
23 property was not purchased by the enterprise for the purpose
24 of resale by the enterprise.

25 (11) Personal property sold to a governmental body, to a
26 corporation, society, association, foundation, or institution
27 organized and operated exclusively for charitable, religious,
28 or educational purposes, or to a not-for-profit corporation,
29 society, association, foundation, institution, or
30 organization that has no compensated officers or employees
31 and that is organized and operated primarily for the
32 recreation of persons 55 years of age or older. A limited
33 liability company may qualify for the exemption under this
34 paragraph only if the limited liability company is organized

1 and operated exclusively for educational purposes. On and
2 after July 1, 1987, however, no entity otherwise eligible for
3 this exemption shall make tax-free purchases unless it has an
4 active identification number issued by the Department.

5 (12) Personal property sold to interstate carriers for
6 hire for use as rolling stock moving in interstate commerce
7 or to lessors under leases of one year or longer executed or
8 in effect at the time of purchase by interstate carriers for
9 hire for use as rolling stock moving in interstate commerce
10 and equipment operated by a telecommunications provider,
11 licensed as a common carrier by the Federal Communications
12 Commission, which is permanently installed in or affixed to
13 aircraft moving in interstate commerce.

14 (13) Proceeds from sales to owners, lessors, or shippers
15 of tangible personal property that is utilized by interstate
16 carriers for hire for use as rolling stock moving in
17 interstate commerce and equipment operated by a
18 telecommunications provider, licensed as a common carrier by
19 the Federal Communications Commission, which is permanently
20 installed in or affixed to aircraft moving in interstate
21 commerce.

22 (14) Machinery and equipment that will be used by the
23 purchaser, or a lessee of the purchaser, primarily in the
24 process of manufacturing or assembling tangible personal
25 property for wholesale or retail sale or lease, whether the
26 sale or lease is made directly by the manufacturer or by some
27 other person, whether the materials used in the process are
28 owned by the manufacturer or some other person, or whether
29 the sale or lease is made apart from or as an incident to the
30 seller's engaging in the service occupation of producing
31 machines, tools, dies, jigs, patterns, gauges, or other
32 similar items of no commercial value on special order for a
33 particular purchaser.

34 (15) Proceeds of mandatory service charges separately

1 stated on customers' bills for purchase and consumption of
2 food and beverages, to the extent that the proceeds of the
3 service charge are in fact turned over as tips or as a
4 substitute for tips to the employees who participate directly
5 in preparing, serving, hosting or cleaning up the food or
6 beverage function with respect to which the service charge is
7 imposed.

8 (16) Petroleum products sold to a purchaser if the
9 seller is prohibited by federal law from charging tax to the
10 purchaser.

11 (17) Tangible personal property sold to a common carrier
12 by rail or motor that receives the physical possession of the
13 property in Illinois and that transports the property, or
14 shares with another common carrier in the transportation of
15 the property, out of Illinois on a standard uniform bill of
16 lading showing the seller of the property as the shipper or
17 consignor of the property to a destination outside Illinois,
18 for use outside Illinois.

19 (18) Legal tender, currency, medallions, or gold or
20 silver coinage issued by the State of Illinois, the
21 government of the United States of America, or the government
22 of any foreign country, and bullion.

23 (19) Oil field exploration, drilling, and production
24 equipment, including (i) rigs and parts of rigs, rotary rigs,
25 cable tool rigs, and workover rigs, (ii) pipe and tubular
26 goods, including casing and drill strings, (iii) pumps and
27 pump-jack units, (iv) storage tanks and flow lines, (v) any
28 individual replacement part for oil field exploration,
29 drilling, and production equipment, and (vi) machinery and
30 equipment purchased for lease; but excluding motor vehicles
31 required to be registered under the Illinois Vehicle Code.

32 (20) Photoprocessing machinery and equipment, including
33 repair and replacement parts, both new and used, including
34 that manufactured on special order, certified by the

1 purchaser to be used primarily for photoprocessing, and
2 including photoprocessing machinery and equipment purchased
3 for lease.

4 (21) Coal exploration, mining, offhighway hauling,
5 processing, maintenance, and reclamation equipment, including
6 replacement parts and equipment, and including equipment
7 purchased for lease, but excluding motor vehicles required to
8 be registered under the Illinois Vehicle Code.

9 (22) Fuel and petroleum products sold to or used by an
10 air carrier, certified by the carrier to be used for
11 consumption, shipment, or storage in the conduct of its
12 business as an air common carrier, for a flight destined for
13 or returning from a location or locations outside the United
14 States without regard to previous or subsequent domestic
15 stopovers.

16 (23) A transaction in which the purchase order is
17 received by a florist who is located outside Illinois, but
18 who has a florist located in Illinois deliver the property to
19 the purchaser or the purchaser's donee in Illinois.

20 (24) Fuel consumed or used in the operation of ships,
21 barges, or vessels that are used primarily in or for the
22 transportation of property or the conveyance of persons for
23 hire on rivers bordering on this State if the fuel is
24 delivered by the seller to the purchaser's barge, ship, or
25 vessel while it is afloat upon that bordering river.

26 (25) A motor vehicle sold in this State to a nonresident
27 even though the motor vehicle is delivered to the nonresident
28 in this State, if the motor vehicle is not to be titled in
29 this State, and if a driveaway decal permit is issued to the
30 motor vehicle as provided in Section 3-603 of the Illinois
31 Vehicle Code or if the nonresident purchaser has vehicle
32 registration plates to transfer to the motor vehicle upon
33 returning to his or her home state. The issuance of the
34 driveaway decal permit or having the out-of-state

1 registration plates to be transferred is prima facie evidence
2 that the motor vehicle will not be titled in this State.

3 (26) Semen used for artificial insemination of livestock
4 for direct agricultural production.

5 (27) Horses, or interests in horses, registered with and
6 meeting the requirements of any of the Arabian Horse Club
7 Registry of America, Appaloosa Horse Club, American Quarter
8 Horse Association, United States Trotting Association, or
9 Jockey Club, as appropriate, used for purposes of breeding or
10 racing for prizes.

11 (28) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients sold to a lessor
14 who leases the equipment, under a lease of one year or longer
15 executed or in effect at the time of the purchase, to a
16 hospital that has been issued an active tax exemption
17 identification number by the Department under Section 1g of
18 this Act.

19 (29) Personal property sold to a lessor who leases the
20 property, under a lease of one year or longer executed or in
21 effect at the time of the purchase, to a governmental body
22 that has been issued an active tax exemption identification
23 number by the Department under Section 1g of this Act.

24 (30) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on or
26 before December 31, 2004, personal property that is donated
27 for disaster relief to be used in a State or federally
28 declared disaster area in Illinois or bordering Illinois by a
29 manufacturer or retailer that is registered in this State to
30 a corporation, society, association, foundation, or
31 institution that has been issued a sales tax exemption
32 identification number by the Department that assists victims
33 of the disaster who reside within the declared disaster area.

34 (31) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or
2 before December 31, 2004, personal property that is used in
3 the performance of infrastructure repairs in this State,
4 including but not limited to municipal roads and streets,
5 access roads, bridges, sidewalks, waste disposal systems,
6 water and sewer line extensions, water distribution and
7 purification facilities, storm water drainage and retention
8 facilities, and sewage treatment facilities, resulting from a
9 State or federally declared disaster in Illinois or bordering
10 Illinois when such repairs are initiated on facilities
11 located in the declared disaster area within 6 months after
12 the disaster.

13 (32) Beginning July 1, 1999, game or game birds sold at
14 a "game breeding and hunting preserve area" or an "exotic
15 game hunting area" as those terms are used in the Wildlife
16 Code or at a hunting enclosure approved through rules adopted
17 by the Department of Natural Resources. This paragraph is
18 exempt from the provisions of Section 2-70.

19 (33) ~~(32)~~ A motor vehicle, as that term is defined in
20 Section 1-146 of the Illinois Vehicle Code, that is donated
21 to a corporation, limited liability company, society,
22 association, foundation, or institution that is determined by
23 the Department to be organized and operated exclusively for
24 educational purposes. For purposes of this exemption, "a
25 corporation, limited liability company, society, association,
26 foundation, or institution organized and operated exclusively
27 for educational purposes" means all tax-supported public
28 schools, private schools that offer systematic instruction in
29 useful branches of learning by methods common to public
30 schools and that compare favorably in their scope and
31 intensity with the course of study presented in tax-supported
32 schools, and vocational or technical schools or institutes
33 organized and operated exclusively to provide a course of
34 study of not less than 6 weeks duration and designed to

1 prepare individuals to follow a trade or to pursue a manual,
2 technical, mechanical, industrial, business, or commercial
3 occupation.

4 (34) ~~(33)~~ Beginning January 1, 2000, personal property,
5 including food, purchased through fundraising events for the
6 benefit of a public or private elementary or secondary
7 school, a group of those schools, or one or more school
8 districts if the events are sponsored by an entity recognized
9 by the school district that consists primarily of volunteers
10 and includes parents and teachers of the school children.
11 This paragraph does not apply to fundraising events (i) for
12 the benefit of private home instruction or (ii) for which the
13 fundraising entity purchases the personal property sold at
14 the events from another individual or entity that sold the
15 property for the purpose of resale by the fundraising entity
16 and that profits from the sale to the fundraising entity.
17 This paragraph is exempt from the provisions of Section 2-70.

18 (35) ~~(32)~~ Beginning January 1, 2000, new or used
19 automatic vending machines that prepare and serve hot food
20 and beverages, including coffee, soup, and other items, and
21 replacement parts for these machines. This paragraph is
22 exempt from the provisions of Section 2-70.

23 (36) Through December 31, 2004, personal property
24 purchased in a transaction conducted over the Internet.

25 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;
26 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.
27 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,
28 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;
29 revised 9-28-99.)

30 Section 99. Effective date. This Act takes effect upon
31 becoming law.